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CONFIDENTIAL.

# Papers relating to the Moorish Loan.

## No. 1.

*Mr. Drummond Hay to Lord J. Russell.—(Received August 15.)*

(No. 114.)

My Lord, *Dar Ben-el-Ouwad, Meknez, July 26, 1861.*

I HAD an interview last night with the Ooozeer Yamani, at which Hadj Abderrahman Ajee and Seed Mohamed Maadanee Bennees* were present.

The Ooozeer recapitulated all the Sultan had said, and repeated the declaration made to me by the Sultan that he had not more than 1,000,000 dollars, but that he could deliver to the Spaniards grain to the value of another million, or sell off that amount in four or five months, and then pay the Spanish Government. He said that they could not venture, in consequence of the present strong opposition on the part of the tribes, to send this money by instalments to the ports for delivery to the Spanish Government, unless the evacuation of Tetuan simultaneously took place, as the Sultan's authority would be set at defiance, and revolution break out, and that he hoped this would be understood at Madrid. He said that there was money in the country, and long arrears of taxes due from the Kabail, but that the Sultan did not venture to march into the interior, and levy taxes as long as Tetuan was occupied, as he might have to contend with his own subjects.

The Oozeer asked if the British Government could not help them to obtain a loan of 1,000,000 dollars, and thus, if Spain would not listen to their supplication for an acceptance of what they had to offer, assist in preventing a recommencement of the war, for he assured me that if the annexation of the territory of Tetuan did take place, the Sultan would be compelled to declare war, though he would otherwise refrain from hostilities as long as he was not attacked.

I replied that the British Parliament would object to any loan being made, or even guaranteed by Her Majesty's Government.

A British merchant resident in this country, Mr. Forde, having addressed me since my arrival here, a letter, stating that he could raise a loan in England at the rate of 10 per cent., I communicated it to the Minister, informing him, however, that I could not assume the slightest responsibility for the correctness of the information given me by the British merchant, nor interfere further in the matter than to let Mr. Forde know I had communicated his letter to the Oozeer, and that, hereafter, should there be any farther correspondence, it must be carried on direct between himself and the Moorish Government.

The Oozeer replied, that as the Sultan was sincere in desiring to fulfil his Treaty engagements, they would be most thankful to any Government or merchants who would help them by a loan, even if they had to make heavy sacrifices in the way of interest, and therefore he begged me to write to Mr. Forde, and to request him to communicate his propositions without delay to the Moorish Government.

With regard to sending an Ambassador to Madrid to request the Spanish Government to accept what they had to offer, and to give an assurance of the Sultan's desire to fulfil his other Treaty engagements, and to solicit the evacuation of Tetuan on the delivery of the two millions, the Oozeer said that their expectations when an Embassy was sent to Madrid on a former occasion had been sadly disappointed, notwithstanding

* In a former despatch Mohamed Maadanee Bennees was erroneously called Benanee.—J. H. D. H.

that they had been previously assured by Mr. Merry that a favourable solution would have been attained, and now they apprehend a similar failure; and that this further humiliation would lower the Sultan in the eyes of his subjects, and either bring about his downfall, or compel him to declare war. He said, however, that as he hoped I was now convinced they were sincere in declaring that they had not the money, and if I would give him an assurance the Spanish Government would accept what they had to offer, and not send back their Ambassador without having arrived at a settlement, the Sultan would take into consideration my proposition, but otherwise it could not be entertained.

I replied that I could give no assurance, and could enter into no engagements regarding the conduct of the Spanish Government; that I came here to let them know what were the demands of Spain, and to urge their acceptance, and that if they were not accepted, to recommend, rather than that negotiations should be stopped, that an Ambassador be sent to offer to treat upon the basis of those propositions, and to put forward such offers as they had it their power to make; that they must not suppose I had any secret instructions empowering me to make some further concession, for I declared I had not; that even in the reduction of the demand from 4,500,000 to 3,000,000, it was not included in the Spanish terms, but I had been given to understand that if the Sultan offered the latter amount, and earnestly solicited the Spanish Government to accept it, stating he had no more to offer, it would be accepted. I went on to say that the case now stood thus, "Accept the terms I bring and treat direct with the Spanish Government by sending an Ambassador, and Tetuan will be evacuated. If you cannot accept them because you have not the money, and fear to pay any further instalments as a revolution would break out, nevertheless send an Ambassador to Madrid, represent the position of the Sultan, offer all you can, and solicit in proper terms a favourable consideration of your offers. Do not impose or appear to impose any conditions, and it is possible, though I give no assurance, the Spanish Government may come to some arrangement by which the object of both Governments will be attained. Reject both these plans, and the alternative will be the annexation of Tetuan to Spain, or war; and to recommence war, unless you are attacked, would be the ruin of this country, as the Spaniards can stop all commerce and destroy your ports, without the Moors being able to retaliate."

Maadanee Bennees gave his opinion that I ought to telegraph to your Lordship to request that the Spanish Government would give an assurance that the offer of 2,000,000 would be accepted, and Tetuan evacuated before the Ambassador was sent.

To this I replied by appealing to the Minister and asking whether he wished me to request your Lordship to inform the Spanish Government that this was the condition which the Sultan imposed on the Spanish Government; that I would do so, but the responsibility would then rest upon Maadanee, if the Spanish Government came to a decision of refusing to entertain any further idea of negotiation, and decided finally on the annexation of Tetuan.

Both the Oozeer and Ajee interrupted me by declaring I was right, and that they must look to me for guidance, and that they should come to no rash decision, or do anything that would give offence to Spain; but they expressed hopes the British Government would do all it could if the Ambassador was sent, and our advice followed, to urge the Spanish Government to commiserate their position, and listen to their propositions.

I replied they might feel assured the British Government would do all that was compatible with using its good offices to bring about an arrangement, but that they could not control the decision of the Spanish Government, and the latter could rightfully fall back when it desired, by referring to Treaty engagements.

Finally, I recommended that Mulai Abbas should be sent as Ambassador to Madrid, and I pointed out the good effect it would have in calming popular feeling in Spain, from the fact of the Sultan having sent his own brother and Viceroy to solicit the goodwill of the Spanish Government, and that I hoped more consideration would therefore be shown to his solicitations than to those of any other man in the empire, except the Sultan himself. I consented, however, to send a telegram to Madrid, and to your Lordship, to the purport of my telegram of the ,* and to await here the reply, promising if it was unfavourable to let them know, and that then they might send or not, as might be determined, the Viceroy as Ambassador or some other person of importance.

The Oozeer concluded by saying he would report all I had said to the Sultan, and support my views, which coincided with his own, but that all depended on the Sultan's decision.

I urged that no time was to be lost.

During the conversation, and when the Oozeer was assuring me that he was a strong

* The telegram is kept back until I learn the Sultan's decision.—J. H. D. H.



partizan in favour of peace, he mentioned as a proof of it that when the Sultan called upon his subjects to contribute towards the payment of the indemnity, he had set the example by paying into the Treasury 80,000 dollars, and turning to Ajee (who is a wealthy inhabitant of Fas), he added, I am sorry to say the gentlemen of Fas did not follow my example, and the attempt to pay off the indemnity, by voluntary contributions, failed.

I have, &c.

(Signed) J. H. DRUMMOND HAY.

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No. 2.

*Mr. Drummond Hay to Earl Russell.*—(*Received September* 6.)

(No. 141.)

My Lord, *Tangier, August* 27, 1861.

THIS morning I had the honour to receive the following telegram from your Lordship, dated yesterday:—

"Viceroy should go to Madrid, and rely on the favourable disposition of the Spanish Government. I have not heard of Mr. Forde yet."

In consequence of the information given to me by Sir John Crampton in his telegrams of the 21st and 24th instant, and of similar information given me by the Spanish Chargé d'Affaires, I addressed a letter to Mulai Abbas on the 24th instant, urging that his Highness set out for Madrid as soon as he receives his full-powers.

His Highness sent an express to the Sultan with my letter, and recommended His Majesty to follow my advice. A reply is expected about the 2nd or 3rd of September.

Mulai Abbas is still suffering from intermittent fever, but the change of air will be beneficial to his health.

I learn from Mr. Lewis Forde's agent at Gibraltar, Mr. Smith, that the former was supposed to be still at Londonderry. On the other hand, his agent at Saffee informed me that he was expected at that port, on his way to the Moorish Court to make proposals to the Sultan regarding the loan. I have written both to his agents at Gibraltar and at Saffee, to recommend that Mr. Forde should come here, as Mulai Abbas has counselled the Sultan to send full-powers to himself, or, in his absence, to the Moorish Minister, to arrange about the terms of the loan, and guarantees that may be required; and to send a Royal Edict, leaving the name of the agent to be appointed in blank, authorizing that person, whether Mr. Forde or another, to make the loan.

If Mr. Forde has presented himself at the Foreign Office, and is in London at the time your Lordship receives this despatch, it would, perhaps, be advisable, if he still thinks he can negotiate the loan, that he come out to Tangier to receive his instructions and the proper authority from this Government. If an arrangement cannot be come to shortly with Mr. Forde, some other British subject will be selected by the Sultan, and sent to England. It will greatly facilitate the transaction if the Spanish Government agrees to the arrangement about Mogador. Under any circumstances, I conclude the Moorish Government is justified in giving as guarantee 40 per cent. out of the 50 per cent. which will remain of the receipts of the Customs at Mogador after the 50 per cent. have been made over to Spain. I suggested also, if there be a difficulty about Mogador, that all the Customs receipts of Tetuan be given as guarantee for the loan. As the Moorish Government would require some months to realize 1,000,000 dollars from the sale of grain, it will be far better that a loan of 2,000,000 dollars should be made instead of 1,000,000, unless the Spanish Government agree to accept the grain. I concur with your Lordship in thinking that it is very desirable Mulai Abbas should not have to treat about the term required to raise the extra 1,000,000 dollars demanded by the Spanish Government, but that his Highness should be enabled to offer the payment of the 3,000,000 dollars at once, and that the evacuation of Tetuan should take place simultaneously with that payment.

I have, &c.

(Signed) J. H. DRUMMOND HAY.

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No. 3.

*Earl Russell to Mr. Drummond Hay.*

(No. 51.)

Sir, *Foreign Office, September* 13, 1861.

I HAVE received your despatch No. 141 of the 27th ultimo, respecting the loan which the Moorish Government is endeavouring to raise in order to pay the Spanish

indemnity; and I have to state to you, in reply, that the Sultan should empower some one in London to effect a loan of 2,000,000 dollars.

I am, &c.
(Signed) RUSSELL.

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No. 4.

*Mr. Drummond Hay to Earl Russell.—(Received September 27.)*

(No. 147.)
My Lord, *Tangier, September 16, 1861.*

WITH reference to my telegram of this date, announcing that Mulai Abbas has received orders from the Sultan to proceed at once to Madrid, I have the honour to inform your Lordship that Seed Bengeloon el Bernoosy, and Seed Etraj, of Rabat, and a Moorish General, are the officers appointed to accompany his Highness. Mulai Abbas is, however, I understand, the sole person mentioned as Ambassador.

Seed Hadj Abderrahman el Ajee, late Envoy to the British Court, arrived here a few days ago with full powers from the Sultan to enter into arrangements with Mr. Forde, or any other person who may be selected by him for contracting the loan in England. Mulai Abbas and the Sultan, as Ajee informs me, are most desirous that no time should be lost in contracting the loan, as the success of Mulai Abbas' mission greatly depends on the Sultan being enabled to offer the payment, at once, of the 3,000,000 dollars, inasmuch as His Majesty has not that entire amount at his disposal just now. A telegram has been sent to Mr. Forde to request him to come to Tangier as soon as possible.

Mulai Abbas has requested me to inform the Sultan whether the Spanish Government has given any reply to the proposition that the receipts of the Customs of the port of Mogador should be given to the contractors for the loan, as guarantee for what may be effected in England.

I have, &c.
(Signed) J. H. DRUMMOND HAY.

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No. 5.

*Mr. Drummond Hay to Earl Russell.—(Received October 6.)*

(No. 155.)
My Lord, *Tangier, September 26, 1861.*

MULAI ABBAS and suite departed this morning for Spain on board the Spanish frigate "Concepcion," which vessel was escorted by another frigate, the "Isabel Segunda," bearing the flag of the Admiral, Don Luis Pinzon.

Last night, on the receipt of your Lordship's telegram of the 24th, relative to the loan, I had an interview with Mulai Abbas. His Highness told me that the Sultan was quite disposed to give all the guarantees in his power to the contractors for the loan, and to pay a high interest if it was required. He informed me confidentially that Mr. Merry had called on him and stated that he had been directed to acquaint the Moorish Government that the Spanish Government would object to any one of the Moorish ports being offered as a guarantee for the loan which might be contracted in England, unless the Sultan contracted a loan for the entire amount of the indemnity still due. Mr. Merry asked his Highness what offers had been made by the British Government or by the British lenders. Mulai Abbas said that he was unable to afford him any information on the subject, as no offers had yet been made either by the Sultan, by the British Government, or by any party in England, that he was aware of.

His Highness said that Mr. Merry's language was such as led him to apprehend that he, Mr. Merry, would do all in his power to impede the success of the negotiation; and, he added, in the warmth of discussion, he had told Mr. Merry that if he was to find such difficulties and opposition even before he started on the mission, he had much better not go, and that affairs should again be put on the footing that they were two years ago.

Mr. Merry made objections that the Viceroy should take as his interpreter Hadj Seid, as he said this officer had, during the late war, spoken ill of the Spanish Government, recommending that to the Spanish Vice-Consul, Mr. Rizzo, should be solely confided the duties of interpreter.

Mulai Abbas said he replied, that if Hadj Seid had spoken ill of the Spaniards during



the late war he was not an exception, and that probably it would be found the officers on both sides had all spoken ill of each other; that the past should be forgotten, and a veil be cast upon all that had been said or done by either party. Moreover, that Hadj Seid went merely in the capacity of interpreter, and that he, Mulai Abbas, would not relinquish his right of having some person about him in whom he could place confidence as an interpreter. Mr. Merry raised many objections, and said it would give offence if his Highness took an interpreter of his own, as Marshal O'Donnell had the greatest confidence in Mr. Rizzo, and that affairs would be greatly facilitated if the office of interpreter was solely confided to him. Mulai Abbas told me he replied in a very decided manner that he should take his own interpreter.

Mulai Abbas informed me he had no confidence in Mr. Rizzo, that his manner and language had often been very offensive, and that he had been compelled on one occasion to remind him of the great difference in their respective positions.

Mulai Abbas appeared to be in very low spirits, as he said that if Mr. Merry was authorized by his Government to hold such unfriendly language, he feared all the French had repeatedly represented to him would turn out true, and that the Spanish Government would withdraw from the assurances it had given to the British Government. I told his Highness not to lose heart; that I believed the Spanish Government was sincere in desiring to come to an arrangement, and that I did not for a moment suppose they would refuse to abide by the terms they had made known to the British Government they were willing to accept, which I had communicated to the Sultan, and which His Majesty had accepted. I added, that I thought it was not unlikely Mr. Merry was dissatisfied that the negotiation was now to be transferred to Madrid, instead of an arrangement being come to at Tangier, and that this may have caused him to act in the manner he had done.

Your Lordship has acquainted me that Mr. Forde may be shortly expected at Tangier. It is important, therefore, that I should be informed whether the Spanish Government object to the receipts of the Customs at Mogador or Tetuan being given as guarantees by the Moorish Government to the contractors for the loan; and in that case, as only half the receipts of the Customs are to be given as guarantee to Spain for the payment of the remainder of the indemnity, I wish to know whether the Spanish Government would be justified in objecting that 40 per cent. of the remaining half of the Customs receipts at Mogador be given as guarantee to the British lenders.

I have, &c.
(Signed) J. DRUMMOND HAY.

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No. 6.

*Mr. Hammond to Mr. Drummond Hay.*

Sir, *Foreign Office, October 7, 1861.*

WITH reference to Earl Russell's telegram of the 5th instant, I am directed by his Lordship to state to you that, on being made acquainted with the nature of the Convention which Her Majesty is prepared to enter into with the Emperor of Morocco, in order to assist His Majesty in raising a loan in this country, Mr. Forde has resolved to proceed immediately to Tangier with the view of entering into direct communication with the Moorish Government on the subject of the loan; and at Mr. Forde's request I am authorized by his Lordship to instruct you to give that gentleman such support in his communications with the Moorish Government as in your judgment may be proper.

I am, &c.
(Signed) E. HAMMOND.

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No. 7.

*Earl Russell to Mr. Drummond Hay.*

(No. 58.)
Sir, *Foreign Office, October 10, 1861.*

IT appears from the communication which Mr. Forde has made, verbally, to me, through Mr. Layard, that the capitalists in this country, to whom he has applied with reference to the loan which the Sultan of Morocco is desirous of contracting in England to enable him to meet the demands of Spain, evince much hesitation as to embarking in such an undertaking, unless they can obtain, in some shape or other, collateral security for the fulfilment of the conditions under which the loan may be contracted.

The security which they would naturally prefer would be the guarantee of the British Government; but this, as you are well aware, Her Majesty's Government are not prepared to give. They could not do so without the consent of Parliament, and the Legislature of this country is decidedly opposed, on principle, to contracting a guarantee of that description, and would not consent to do so except under special circumstances, which do not exist in the present case.

Mr. Forde, however, infers that the success of his endeavours to procure the loan might be much facilitated if the Emperor of Morocco were, by Treaty, to engage to assign to an Agent to be named by His Majesty the revenue set apart for meeting the charges for the interest and sinking fund of the loan. Such an assignment would bear the character of an international engagement between England and Morocco, and, although it would not in any way bind the British Government to make good any deficiencies in the revenue set apart for the purpose, it would give an assurance to the contractors that, at least as far as that revenue went, it would be faithfully appropriated to the purposes of the loan. For it would be provided in any such Treaty between Her Majesty and the Sultan that the Agent named by Her Majesty for receiving from the Moorish authorities the appropriated revenue should, from time to time, pay over to the contractors of the loan a sufficient sum to meet the charges thereof for interest and sinking fund, and, if any balance should remain after doing so, should pay over such balance to the Moorish Treasury.

Her Majesty's Government being anxious to contribute, as far as they can properly do so, to extricate the Sultan from his present difficulties, are prepared to adopt Mr. Forde's suggestion; and I now forward to you the draft of a Convention to that effect, which, if accepted by the Sultan, you are authorized to sign, in virtue of the general full power which you hold from Her Majesty.

The revenue to be set apart for the purposes of the loan is that half of the Customs duties levied in the Moorish ports which still remains unpledged to the Spanish Government, and Her Majesty's Government understand that the Sultan is prepared to assign this revenue as security for the contractors.

A blank has been left in the Ist Article of this Convention as to the periods, whether weekly, monthly, or quarterly, at which the receipts of the Customs duties are to be paid into the hands of the Agent of the British Government. You will decide how this blank, as also the previous blank for the day from which the revenue of Customs is to be assigned for the purposes of the loan, can most conveniently be filled up, bearing in mind that the transfer to the contractor of so much of the money in his hand as may be required to meet the charges of the loan for interest and sinking fund must be made six weeks, at least, before the payment of those charges becomes due.

Her Majesty's Government trust that the Sultan of Morocco will see in the offer which you are now authorized to make to him a fresh proof of the lively interest which Her Majesty takes in the welfare of Morocco, and of her anxious desire to contribute, as far as is in her power, to the maintenance of the independence of his country.

I am, &c.
(Signed) RUSSELL.

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Inclosure in No. 7.

*Draft of Convention.*

HIS Majesty the Emperor of Morocco being desirous of raising a loan of two millions of dollars in London, to enable him to meet his engagements with Her Catholic Majesty, and having requested the good offices of Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, with a view to facilitate that object, and Her Britannic Majesty having agreed to the request of His Imperial Majesty, their Majesties have resolved to conclude a Convention on the subject, and have named as their Plenipotentiaries, that is to say:

Etc., etc.

ARTICLE I.

His Majesty the Emperor of Morocco engages that from and after the next, there shall be paid over to a Commissioner named by Her Britannic Majesty, fifty per cent. of the Customs duties at all the ports of the Empire of Morocco.

Her Britannic Majesty, on her part, engages that six weeks before the period at which the half-yearly charges on the loan of two millions of dollars, which the Emperor of



Morocco is about to raise, shall become due, she will transfer to the agent or agents of the contractors for that loan the sums so to be received by the Commissioner of Her Majesty, or so much thereof as may be sufficient to pay the interest on the said loan at the rate of per cent., together with a further rate of per cent. by way of sinking fund, for the redemption of the loan; but Her Britannic Majesty shall not be liable for the payment of more than she receives.

In case the sums received should be more than sufficient for such half-yearly payments, the surplus shall be repaid by the British Commissioner to the officers of the Emperor of Morocco duly authorized to receive the same.

ARTICLE II.

When by means of the payments provided for in the preceding Article, the whole of the loan of two millions of dollars shall have been repaid, together with the interest due thereon, the Commissioner of Her Britannic Majesty shall cease to receive the fifty per cent. of the Customs duties at the ports above mentioned, and shall repay to the said officers of the Emperor of Morocco any balance that may be remaining in his hands.

ARTICLE III.

The present Convention shall be ratified, &c.

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No. 8.

*Earl Russell to Mr. Drummond Hay.*

(No. 59.)

Sir, *Foreign Office, October* 10, 1861.

YOU will see by the Draft of Convention inclosed in my despatch No. 58 of this day, that Her Majesty's Government understand that the Sultan is prepared to assign for the purposes of the loan to be raised in this country, to enable him to meet the present demands of Spain, one-half of the receipts of the Custom-houses at the Moorish ports, the other half being already pledged to Spain.

It appears also from the communications which have passed between Sir John Crampton and the Spanish Government, that the latter disclaim having any lien or claim whatever on the half of the Customs of the ports of Morocco which is not pledged to them.

Mr. Forde, who has been in communication with the capitalists in this country on the subject of the loan, appears to be of opinion that under the security offered by the proposed Convention, not only may the limited amount now contemplated be raised on moderate terms, but even a sufficient sum to extricate Morocco from all her debt to Spain.

Her Majesty's Government are however indisposed, as at present advised, to undertake for more than is stated in the Draft Convention. That sum will suffice to meet the present necessities of Morocco, and the interference of Her Majesty's Government in the manner proposed may be justified not only by the urgency of the case, which admits of no delay, but also by the moderate amount of the sum at stake.

It may also be more to the advantage of the Sultan that his first trial of the money market should be made on a small scale; for if, as Her Majesty's Government do not doubt will be the case, the Moorish Government punctually fulfils its engagement on the present occasion, it would appeal to the British capitalists on any future occasion with all the advantage resulting from a well-established credit.

With a view also to the same object, Her Majesty's Government are of opinion that the Moorish Government would do well to provide for the early extinction of the loan now to be contracted, by assigning a liberal per-centage for the sinking fund. If by reason of the Convention the loan can be obtained at a lower rate of interest, the Moorish Government might do well to appropriate for the sinking fund, in addition to any other sum, the difference between such moderate rate of interest and that which t is understood they were prepared to pay; and, moreover, if Morocco really possesses the abundant means which are attributed to it, and only requires some short time and a favourable opportunity to render those means available, there can be no real difficulty in stipulating that such an amount should be assigned in each year for the redemption of the loan as would insure the extinction of the whole debt within a very limited period.

The Draft Convention does not specify the particular Agent of the British Government into whose hands the proceeds of the Moorish Customs appropriated to the loan

should be paid; but it will probably be found most convenient in practice that Her Majesty's Consular authorities at the several ports should be charged with this duty under the superintendence of Her Majesty's Consul at Tangier.

I presume that the Moorish Government will not hesitate to engage in some binding form, until the loan is paid off, not to interfere by prohibitions with the export of Moorish produce of which the export is now allowed, and to take no steps of a fixed nature which may interfere with the development of the trade of Morocco with foreign countries. This might be done by an official note addressed to yourself.

Should difficulties arise as to pledging the Customs duties of all the ports, or should the Moorish Government offer 40 or even no more than 30 per cent. of the Customs as security for the loan, you will consult Mr. Forde as to the sufficiency of such terms, and you may then, within those limits, act upon your own judgment, which is both sound and experienced.

I am, &c.
(Signed) RUSSELL.

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No. 9.

*Mr. Drummond Hay to Earl Russell.—(Received October 11.)*

(No. 158.)
My Lord, *Tangier, October 2, 1861.*

HADJ ABDERRAHMAN AJEE, the officer who has been sent here by the Sultan with full powers to make arrangements about the negotiation of the loan, called upon me this morning to express the gratitude of the Moorish Government for the proposed aid of the British Government. I told him I should wish to have in writing what he had stated to me verbally; and he has, therefore, addressed me a letter, of which the inclosed is a translation.

He says he is prepared to sign a Convention containing the terms your Lordship thinks proper to require regarding the guarantee to be given, and therefore suggests that the wording of the stipulation should be drawn up in England.

On a reference to my despatch No. 155 of the 26th ultimo, reporting the language held by Mr. Merry to Mulai Abbas before the departure of his Highness for Spain, your Lordship will best understand the apprehension entertained by Hadj Abderrahman Ajee that the Spanish Government may make objections, though unjustifiable, about the remaining half of the revenue of the Customs of Mogador not pledged to the Spanish Government, being given as a guarantee to the British Government.

Your Lordship is aware that one of the demands of the Spanish Government, as stated in the document transmitted to me by Mr. Edwardes, to be presented to the Sultan for acceptance on my late mission to Meknez, was, that half the revenue of the Customs of all the ports should be given to the Spanish Government as a guarantee for the payment of the remaining portion of the war indemnity.

With regard to the proposition of Ajee, in case of any difficulty arising about the Customs of Mogador, to offer to the British Government as guarantee the annual tithes received by the Sultan in wheat, I beg to say that I believe the value of the produce of these tithes may be calculated as varying from 300,000 dollars a year to 1,000,000 dollars, according to the harvest. Ajee said that, of course, if this proposition was accepted, the wheat would be shipped and sold by agents in London or elsewhere at the expense of the Sultan, and all losses would be borne by His Majesty; the Commissioners retaining, after sale, a sum sufficient to pay the interest of the loan, and that if it happened there was any deficit, which was not probable, the Sultan would engage to make it good.

I have, &c.
(Signed) J. H. DRUMMOND HAY.

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Inclosure in No. 9.

*Hadj Abderrahman-el-Ajee to Mr. Drummond Hay.*

(Translation.)
(After compliments.)

WE desire to repeat to you in writing that which we stated to you verbally this morning, in reply to the communication you had received by telegraph from your Government, to the effect that they would take into consideration the terms of a Convention, in which the Sultan would pay half the receipts of the Customs of Mogador



into the hands of British Commissioners appointed by your Government, with the view of paying thereby the interest of the loan.

May God requite your Government for their aid in this affair, for our Lord the Sultan is most desirous to be able to deliver at once to the Spanish Government the sum they require to be paid before their troops evacuate Tetuan.

We beg that you will write to your Government to draw up the wording of the Convention as they may think proper regarding this matter, and we shall sign it with you, and the Sultan will affix his ratification.

With regard to the language held by the Spanish Chargé d'Affaires to Mulai Abbas, at the moment of his departure, when he (the Chargé d'Affaires) said that the Spanish Government would object that the Sultan should deliver the revenue of the port of Mogador or of any other port as a guarantee to the English, they are right in saying the Sultan has agreed to give them half the revenue of the ports, but the remaining half of the revenue would belong to the Sultan, and therefore His Majesty has full right to dispose of it as he pleases, to the English or to others, either as to the proceeds of the port of Mogador or of any other port. But mention to your Government that if the Spanish Government should raise fresh objections to the arrangement, though we do not suppose they can, as the Sultan is entitled to do with his own as he pleases (though the Spaniards may put forward obstacles), we are ready to deliver annually, through the Commissioners of the British Government, the tithes received in wheat, and that it be sold according as the prices may vary in your country, and from the proceeds of the sale that the Commissioners deduct the interest of the loan, and the rest be paid over to the Sultan; the expenses or losses attending the transaction, as also the payment of agents, ships, &c., being all disbursed by the Sultan. We mention this to you as we desire to offer a proper guarantee in case of necessity, though the half of the revenue of Mogador is far preferable, as is proposed.

Your Government knows that our Lord the Sultan has desired to follow the counsels and recommendations of your Government in the Spanish question; and in compliance with their indications and advice His Majesty sent his own brother, Mulai Abbas, to Spain. We pray God the affair may have a favourable issue through the good offices you have employed. The Sultan entertains a very high estimation of the services rendered to him by your Government, much more than any one imagines.

In the moment of danger and difficulty it is the true friend who appears. May God grant you peace and happiness!

Finished 25th Rabea, year 1278 (2nd October, 1861).

The Officer of the exalted Court,
(Signed) HADJ ABDERRAHMAN-EL-AJEE.

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No. 10.

*Mr. Drummond Hay to Earl Russell.—(Received November 1.)*

(No. 166.) *Tangier, October 22, 1861.*
My Lord,

I HAVE the honour to acknowledge the receipt of your Lordship's despatches Nos. 58 and 59 of the 10th instant, transmitting the draft of a Convention between Great Britain and Morocco, wherein the Sultan of Morocco engages to assign to an Agent named by Her Majesty, half the revenue of the Customs of the Moorish ports, to meet the charges of the interest and sinking fund, on account of the loan of 2,000,000 dollars.

Your Lordship's telegram of the 5th October had apprized me that half the revenue of all the ports would be required as security for the loan, instead of 40 per cent. of the port of Mogador, as had been previously proposed.

I communicated the substance of the telegram, on its receipt, to Seed Abderrahman Ajee, and explained, as far as I was then enabled, the views of Her Majesty's Government.

Ajee said his full powers would hardly authorize him to accede to the proposed terms, without a reference to the Sultan; that as the Spanish Cortes were about to meet, it was of the greatest importance no time should be lost; that it would require about a fortnight to communicate with the Sultan by letter, and that written explanations upon subjects little understood by this Government were a very unsatisfactory manner of negotiation. He therefore said it would be conferring a very great favour upon the Moorish Government, and upon himself, if I would consent to proceed with him by sea to Rabat, where the Sultan had arrived, and to explain *vivâ voce* the propositions of the

British Government, and to ask that he should receive the fullest authority to settle all matters on the arrival of Mr. Forde, who I learn is expected to arrive at Gibraltar to-day.

Taking into consideration these suggestions, and as I coincided entirely with Hadj Abderrahman on the importance of settling all matters, if possible, with the Sultan *viva voce*, I applied at once to Captain Warden, the senior naval officer at Gibraltar, for one of Her Majesty's steamers, and I proceeded to Rabat with the Moorish Plenipotentiary on the evening of the 18th, immediately after the receipt of your Lordship's despatches Nos. 58 and 59.

We had bad weather, and could not land till the 20th instant.

On my arrival, the Chief Oozeer called upon me, and fixed my audience with the Sultan for the following morning.

After I had made known to His Majesty the object of my visit, he expressed himself as being most grateful to Her Majesty's Government for the strong interest they took in his welfare. He remarked that "true friends are known in the hour of misfortune," and added that, as he had required the aid of a friendly Government, it was a great relief for him to feel that it came from a Government whose actions were always marked by disinterested feelings, and whose aim was to promote peace and goodwill between other nations. His Majesty said, "I shall never forget the hand that has been extended to me in adversity."

His Majesty informed me that he should give the fullest powers to Hadj Abderrahman Ajee (after hearing the terms Mr. Forde had to propose on the part of the contractors for the loan) to fill up the blanks of the proposed Convention, and in fact to follow my advice.

The Sultan was pleased to add, "You shall guide us, and we will follow blindly your counsels; I look upon you not only as the Representative of the Government which is my best and closest ally, but as the counsellor upon whom I can best and always depend." I congratulated His Majesty upon having arrived at Rabat, and upon having chastised the rebels of Beni Hassen.

His Majesty informed me that he intended to march to Morocco when affairs were arranged about the evacuation of Tetuan; that he had sent several officers with troops to collect arrears of taxes from districts which had not paid them for three years, and he said that before he arrived at Morocco he hoped to have collected in taxes alone, in grain and money, upwards of 2,000,000 of dollars, and to have punished those Chiefs who when they knew the precarious position he had been placed in during the Spanish war, had set at nought his authority, and withheld the receipts of taxes received from his subjects. "I must now," said His Majesty, "show my people I can reward the subject and punish the traitor."

His Majesty observed that it was sound advice the British Government had given him about paying as much as it was in his power to do towards the sinking fund, so as to extinguish the debt, and he added that he desired to show not only to the British Government that their kind confidence had not been misplaced, but to gain also the future goodwill and confidence of British capitalists. His Majesty said that the only hesitation he had felt about the present arrangement for the payment of the interest and sinking fund is, that his subjects would learn that he had placed the entire receipts of his Customs in the hands of foreign Agents, and he expressed a hope I would let Her Majesty's Government know what a strange people he governed, and therefore that the Agent who was appointed to receive the Customs should do so in a manner not to draw unnecessarily public attention, and that the term fixed for each payment to be made should not be too frequent. His Majesty went on, however, to say, that he confided in my discretion in the arrangement with Mr. Forde, and therefore would give the fullest powers to Seed Abderrahman Ajee to sign with me the Convention.

His Majesty said he was most anxious Mulai Abbas should receive the promptest tidings when the Convention was signed, and that his Highness should return from Madrid after arranging about the evacuation of Tetuan, to resume the government of the Northern Provinces of the Empire, when he, the Sultan, marched to the South.

I told His Majesty I should let his Highness know by telegraph, through Sir J. Crampton, when the Convention was concluded, and when the money would be forthcoming.

His Majesty told me, in confidence, that it was not impossible, if he found, in a year or two, he had the means to do so, he would pay off the remaining portion of the indemnity due to Spain, or raise a loan for that object in England, if the capitalists would trust him, and thus get rid of the inconvenience of having Spanish agents at the ports to receive half the Custom dues.



His Majesty requested me not only to express to Her Majesty's Government his gratitude for the timely aid they had afforded him, but also for my visit to Rabat.

The Sultan told me good-humouredly, he had a complaint to make against me as I had not written to him privately since my return from Meknez. I replied that I had not yet thought any event of sufficient importance had occurred for me to trouble His Majesty with my letters. His Majesty then repeated that he would be much obliged if I would write to him freely upon any subject of importance, and he said, "Do not write only what is agreeable, but speak out, tell me all, even if you think it will be painful for me to hear; I cannot avert an evil, if I ignore its existence. Nothing from you will ever offend me."

After the interview with His Majesty, I embarked yesterday on board Her Majesty's steam-ship "Trident," and arrived here this morning.

I now await alone the arrival of Mr. Forde, to learn the terms of the contractors, to draw up and sign the Convention.

Hadj Abderrahman Ajee has exhibited to me the full powers he has received, and he is prepared to address me a note regarding prohibitions on the exportation of produce in the sense your Lordship has suggested, after the signature of the Convention.

I have, &c.

(Signed) J. H. DRUMMOND HAY.

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No. 11.

*Earl Russell to Mr. Drummond Hay.*

(No. 60.)

Sir, *Foreign Office, November 2*, 1861.

I HAVE received your despatches to No. 167 of the 22nd of October inclusive; and I have to acquaint you that I entirely approve of your having proceeded to Rabat to have a personal interview with the Sultan of Morocco.

I conclude, from a telegram that I have received from Sir John Crampton reporting Mr. Forde's passage through Madrid with the Convention which you had signed with the Moorish Government, that Mr. Forde's interview with the Moorish Plenipotentiary, which was to take place on the 24th, resulted in a satisfactory understanding on the subject of the loan.

Sir John Crampton has reported to me that Mulai Abbas has concluded a Convention with the Spanish Government, according to which Tetuan will be evacuated on the payment of 3,000,000 dollars, but that if the money is not forthcoming within five months, the Convention will be void; and that as regards the remaining 10,000,000 dollars of the indemnity, half of the Customs revenues of Morocco is to be handed over to a Spanish Commissioner until the whole sum is paid off.

On this I have to observe, that it seems to me that the Spanish Government have properly fixed a term for the payment to be made, which is to be followed by the evacuation of Tetuan; and that the Sultan should not hesitate to appeal to the loyalty and patriotism of his subjects to enable him to fulfil the conditions by which that evacuation will be secured.

I am, &c.

(Signed) RUSSELL.

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No. 12.

*Mr. Drummond Hay to Earl Russell.—(Received November 8.)*

(No. 170.)

My Lord, *Tangier, October 24*, 1861.

MR. FORDE has arrived, and he has had several interviews with Hadj Abderrahman Ajee, the Moorish Plenipotentiary, and with myself.

Mr. Forde could not give Hadj Abderrahman any positive information regarding the rate of interest which would be required by the contractors for the loan, in consequence, as he said, of the constant variation that takes place in the money-market. Hadj Abderrahman therefore observed, that it would be unwise for him to insert in the Convention the rate of interest, as he was very ignorant of such matters, and that if he put too large a rate it would entail a loss, whilst, on the other hand, if he inserted a low rate it might stop the negotiation for the loan.

Under these circumstances, and as Mr. Forde had told us that a copy of the Con-

vention would probably have to be embodied in the bonds or scrips, Hadj Abderrahman agreed with me in thinking that to prevent a further loss of time it would be advisable to sign the Convention and send it to your Lordship, leaving in blank the annual rate of interest and rate by way of sinking fund. In a letter he has addressed me, he has requested me to beg Her Majesty's Government to have the kindness to fill up these blanks when the loan is arranged with the contractors.

Hadj Abderrahman decided on naming 15 per cent., which amount is to include both the annual rate of interest and the annual rate for the sinking fund; and he further asks* that Her Majesty's Government may cause to be inserted 10 per cent. for the sinking fund if the rate of interest is at 5 per cent.; should the rate of interest be 6, then 9 per cent. for the sinking fund, and so on: in fact not to exceed *in toto* the 15 per cent. It is on this account that blanks are left for both rates.

I trust that if I have erred in consenting to ask Her Majesty's Government to accede to this proposition, and in having signed the Convention without filling up the blanks, I shall be excused by your Lordship under the peculiar circumstances of the case and the urgent necessity that no time should be lost.

Should your Lordship disapprove, then the Convention can be returned.

If your Lordship accedes to the request of the Moorish Plenipotentiary, then I might be apprized by telegram of the rate of interest and rate for sinking fund which may be fixed upon, and having inserted these items I could send the Convention forthwith for ratification to the Sultan.

I have the honour to inclose herewith a copy of a certificate given by Her Majesty's Consul to Mr. Forde at his request, containing an average return of the imports and exports of Morocco during four late years, and certifying also the rate of duties which are levied.

According to this calculation half the receipts of the Customs would amount to about 161,000*l.*, whereas the charges at 15 per cent. would be about 60,000*l.*

This leaves an ample margin, and will, I think, afford excellent security to the contractors; but though I have no doubt Mr. Reade's calculations are exact, being taken from the Consular Trade Returns, yet, as Hadj Abderrahman observed to me, the system of peculation at the ports by the Sultan's officers, and the smuggling, is so shameless and extensive, that he feared His Majesty loses one-third of his revenue.

I did not, therefore, think it advisable to urge Seed Abderrahman to exceed the 15 per cent., neither did I think it prudent to depend on other resources of revenue not mentioned in the Convention; for though I expect the Sultan will be enabled to compel his unruly subjects to pay for the future their taxes, and also the arrears due during the last three years as soon as Tetuan is evacuated, yet it is not perhaps advisable to depend upon a revenue which at any time might be stopped by internal troubles.

Ajee has asked me to assist him in counselling His Majesty how to proceed to check the peculation of his officers; and he says that if, as he believes, within a year after Tetuan is evacuated the Sultan will have collected more than a sufficient amount to redeem the loan, instructions will be given to agents in England to purchase scrips even at a loss, and thus get rid if possible of the debt.

I have had much discussion with Ajee, but I did not like to take upon myself to insist on his conforming with my recommendation for a larger rate for the sinking fund, lest hereafter, if his present apprehensions were realized, he would endeavour to throw the responsibility of his conduct on myself.

I now beg to offer the following observations on the Convention:—

In the preamble, and throughout the stipulations, 426,000*l.* sterling has been inserted instead of 2,000,000 dollars—the sums are more or less equivalent—but, as Mr. Forde had informed me, that it would be objectionable to have the sums mentioned in Spanish dollars in the Convention, for that this document would probably have to be inserted in the bonds, and as mention of foreign money in the English market would create confusion I acted on his suggestion.

*Observations on Article I.*—As, under existing circumstances, we could not fix the period when the loan is to be effected, we thought it advisable to insert, after the clause, "The Emperor of Morocco engages that from and after the," the words, "ratification of the present Convention."

After the words, "shall be paid over," it is requested that the word "quarterly" may be inserted, unless your Lordship objects.

I have already offered explanations about the blanks respecting the rate of interest and rate of sinking fund.

* See Inclosure No. 2.



*Article II.*—We thought it advisable to put forty days as the term within which the ratification is to take place, as there will be ample time, if I am instructed by telegraph how to fill up the blanks, for the Sultan to affix his ratification.

If the loan does not take place, or there is any withdrawal on the part of the Spanish Government from the language they had held to Her Majesty's Envoy at Madrid regarding the evacuation of Tetuan, then I conclude the Convention will become null.

I have the honour to transmit herewith translations of the letters addressed to me by Seed Abderrahman Ajee, of the instructions he has given Mr. Forde in two separate letters, of the Royal mandate empowering Mr. Forde to act as his agent, and of the Royal mandate giving full powers to Ajee to sign the Convention.

In Ajee's note to myself will be found the suggestions I have submitted to your Lordship.

From the Inclosure No. 4 your Lordship will learn that Mr. Forde is instructed by Ajee not to fix the interest or conclude the loan without a reference to Her Majesty's Government; the reasons given for this step are stated in Ajee's letter to me, namely, that he desires to make sure there will be no hitch at Madrid about the evacuation of Tetuan, and payment of the 3,000,000 dollars before the loan is made, as the Sultan does not want the money, except with the view of paying the Spanish Government for the evacuation of Tetuan.

Your Lordship will also learn from the letter addressed to me by Ajee, that he asks for a further favour from Her Majesty's Government, and he pleads his extreme ignorance and that of his Government on matters like a loan, for taking the liberty of giving so much trouble to your Lordship.

Mr. Forde has informed Ajee that a commission of 2 per cent. is usual to be given between the contractors of the loan and an agent in his capacity, including also the necessary expenses for the transaction.

As this charge involves the large sum of about 8,000*l.*, and as the Sultan might not approve of Ajee (who is ignorant of such matters) having taken upon himself to grant the commission, he has requested me to send through your Lordship the inclosed letter for Mr. Forde allowing the commission, on the understanding, however, that if the commission is considered unusually high the letter should not be delivered to Mr. Forde, but be returned to me.

Mr. Forde has told Ajee, with much candour, that this arrangement would be also far more agreeable to him than that any doubt should remain on the minds of the Sultan or his Government that he had wished to impose on them.

In the letter addressed by Ajee to myself your Lordship will also observe that he engages on the part of the Sultan that no prohibition not existing at the present time will be imposed on trade; indeed, he tells me he hopes that the existing prohibition on the exportation of wheat may ere long be removed.

He also engages that the payment of all charges shall be made in English, Spanish, or French coin, and not Moorish coin, which, though free from alloy, would be inconvenient to transmit to England or Gibraltar. French and Spanish gold and silver coins are current throughout this country; English sovereigns are more rare.

I do not know what arrangement your Lordship may finally order to be made for the transmission of the money received from the Moorish Government, but I would suggest that when safe bills on England cannot be procured the money be sent to the Commissary-General at Gibraltar, who could transmit bills to Her Majesty's Government for the amount. I suggest this form as I think it might save trouble and expense, for the Commissariat at Gibraltar require, I have reason to believe, far larger sums than might be paid quarterly into their hands through the British Commissioner. The exchanges could be fixed according to the rate of exchange at the time of payment, rated on Treasury bills.

I have further the honour to transmit to your Lordship the Convention which has been signed this day by the Moorish Plenipotentiary and myself. If there be any difficulty in filling up the blanks in the Arabic text in England, I could effect this on the return of the Convention with the ratification.

I have, &c.

(Signed) J. H. DRUMMOND HAY.

Inclosure 1 in No. 12.

*Statement of the Average Annual Value of the Morocco Trade.*

THIS is to certify that the total value of goods imported at the several ports of Morocco, during the years 1856, 1857, and 1858, as well as during the last nine months of the year 1860, amounted, on an average, to about 76,397*l.* per month, or to 916,764*l.* per annum, whilst the exports at the same ports, and during the same period, averaged about 77,076*l.* per month, or 924,912*l.* per annum.

N.B.—The whole of the year 1859, and the first quarter of the succeeding year, are excluded from the above-stated period, on account of the general stagnation of trade, which then prevailed at the Moorish ports, in consequence of the war with Spain.

It is hereby further certified, that the import duties in this country amount to about 10 per cent. and the export duties to about 25 per cent. of the goods upon which they are levied.

*Her Britannic Majesty's Consulate, Tangier, October* 23, 1861.

(Signed) THOS. F. READE.

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Inclosure 2 in No. 12.

*Hadj Abderrahman-el-Ajee to Mr. Drummond Hay.*

(Translation.)

(After the usual preamble.)

AS you have heard from our Lord the Sultan, in your late audience, the expressions of His Majesty's gratitude for the friendly aid afforded by the British Government in facilitating the loan, it is unnecessary for us to repeat that we shall never forget the kindness and sympathy that has been shown to our Government in a moment of great difficulty.

We will not conceal from you, however, that we have been somewhat disappointed that a fresh delay has occurred in effecting the loan, in consequence of Mr. Forde being unable to afford us any positive information regarding the rate of interest which may be demanded by the contractors for the loan: he merely tells us that it may vary from 4 to 7 per cent. We do not like to fix the rate of interest which is to be paid, lest, in naming too high a rate, we entail a loss; and, on the other hand, if we name too low a rate, there might be difficulty in contracting the loan. It is on this account, and after due consultation with yourself and Mr. Forde, and in order not to lose time by a further reference to England, we decided on leaving in blank in the Convention the rate of interest to be paid, and on asking your Government to add to the favours already conferred, by inserting in the Convention the rate of interest at which the loan may be effected; and we have directed the Moorish Commissioner, Mr. Forde, as you will learn by the inclosed copies of his instructions, to consult with the British Government before the rate of interest is fixed, and, under any circumstances, before he concludes the loan. Whatever the British Government approves of and inserts, our Lord the Sultan and we shall accept and approve of.

With regard to the rate to be paid annually for the redemption of the loan, though we think the security given will amply cover all charges, yet as we wish to avoid the risk of exceeding the receipts of the Customs, we have fixed, as a maximum, 15 per cent., which is to include both the annual rate of interest and the annual rate of sinking fund; that is to say, if the rate of interest is fixed by the contractors at 5 per cent., we beg your Government to insert that rate, and 10 per cent. as the rate of sinking fund; if the rate of interest be 6 per cent., the rate of sinking fund to be 9 per cent.: and this we leave to your Government.

In Article I of the Convention, after the words "paid over," we suggest that the term "quarterly" be inserted.

We have also another favour to ask. Mr. Forde has informed us that a commission will have to be paid to the contractor and to himself, and he says 2 per cent. is usual in such transactions. This appears to us a very large sum, but he informs us that in this rate his own commission is also included, and all the necessary expenses. As we hesitated about agreeing to this, he suggested that it should not be paid if, on a reference to the British Government, they thought it an exorbitant and unusual charge. We therefore take the liberty of sending, through you, the letter to Mr. Forde, granting this charge, but, with the understanding that your Government will kindly deliver it to him, if they



think it proper, and withhold it if it be otherwise. This is our understanding with Mr. Forde, and our ignorance is pleaded as an excuse for the trouble we give.

We further acquaint you, for the satisfaction of your Government and the contractors of the loan that no prohibition, not existing now, will be imposed on the exports or imports, until the complete redemption of the loan takes place. We have also to state that the quarterly charges paid to the British Commissioner will be effected in British, French, or Spanish coin.

We inclose, for your information, a copy of the mandate sent by the Sultan to Forde. With this authority, and the instructions we have given him, he is empowered to sign all bonds or documents requisite on such occasions. We have, however, instructed Mr. Forde, before he closes with the contractors for the loan, to apply to your Government. Our object in giving this instruction is to provide against the contingency of the possibility of the Spanish Government withdrawing from the propositions they had made, through your Government, that the Sultan should offer 3,000,000 dollars, and that this sum would be accepted and Tetuan evacuated. We have written to Mulai Abbas to tell him what has taken place here, and to say that we believe and hope the 2,000,000 dollars will be ready to be paid in England before the expiration of the month of November, and to suggest that he communicate this to the Spanish Government, saying that he is ready to sign the Treaty for the payment of the money and evacuation of Tetuan, the day he hears the money is in hand; that if the Spanish Government make no difficulty, Mulai Abbas is to communicate this to the British Ambassador, who, we hope, will kindly telegraph it to your Government, and the loan be thus effected. But, if fresh impediments are offered, then Mulai Abbas will likewise communicate with Her Majesty's Government, who, we hope, would then suspend the negotiation for the loan until some arrangement be entered into with the Spanish Government, for, as you well understand, we do not desire to have this money on our hands and to pay the charges thereon, except for the purpose of effecting the object we have now in view.

We inclose a copy of the letter we have addressed Forde on this subject.

In conclusion, we again beg that every expedition should be used in bringing this negotiation to a conclusion. It is of vital importance to our Lord the Sultan, who is most anxious that Mulai Abbas should return to resume the Caliphat of the Northern Provinces, as soon as he is enabled to arrange, by Treaty, with the Spanish Government, when the evacuation of Tetuan and the payment of the 3,000,000 dollars is to take place. If fresh delay occurs we know not what might be the consequences.

Peace.

18 Rabea the Second, year 1278 (23rd October, 1861).

The Officer of the Court, exalted by God,

(Signed) HADJ ABDERRAHMAN-EL-AJEE,

Whom God assist.

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Inclosure 3 in No. 12.

*Hadj Abderrahman-el-Ajee to Mr. Forde.*

(Translation.)

PRAISE to the one God!

To the English merchant Lewis Forde, Esq. We salute you.

Be it known to you, our Lord the Sultan (may God protect him!) having heard of your zeal, intelligence, and fidelity has been pleased to appoint you as his Commissioner for contracting a loan of 426,000*l.* sterling in London, and he also empowers you to pay this sum over to our Lord the Viceroy of the Sultan, Mulai Abbas, whenever you may receive directions to that effect.

We send you herewith the Shereefian mandate of our Lord, bearing his signet, for the general information of yourself and of all whom it may concern; and, further, a certified copy of the full powers given to us by our Lord to conclude a Convention with the Minister of Great Britain in these dominions, in which Convention our Lord the Sultan gives, as security for the loan, half the receipts of all the ports of his dominions, and in which will be stated the annual rate to be paid for interest, and also a further annual rate to be paid for the redemption of the loan.

The security as given by our Lord is very ample, and will, with God's help, exceed considerably the said charges.

We now have to instruct you to proceed to London without delay. It is most important no time should be lost. We authorize you to arrange about the rate of interest, and rate for the redemption of the loan. We have further to authorize you, as in accordance with the authority invested in you by the mandate of our Lord the Sultan,

to sign and seal all bonds or other documents on behalf of this Government, relative to the loan, or for the issue of bonds prescribed by the usages on such occasions in England or elsewhere.

Finished, 18th Rabea the second, year 1278 (23rd October, 1861).

The Officer of the Court, exalted by God,
(Signed) HADJ ABDERRAHMAN-EL-AJEE,
Whom God assist.

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Inclosure 4 in No. 12.

*Hadj Abderrahman-el-Ajee to Mr. Forde.*

(Translation.)

IN the name of the most merciful God!

To the English merchant, Mr. Lewis Forde. We salute you.

We send you this private letter in addition to that which we addressed you under this date, and we direct you not to come to any final settlement with the contractor for the loan regarding the several charges thereon, until you have consulted with the British Government, and they express their approval; and likewise to consult the British Government about the arrangement of the rate of interest, and rate for the redemption of the loan, and act according to their good advice.

We have begged them to let you know when to bring to a conclusion the negotiation for the loan, as it is for a particular object only that the loan is to be effected.

Finished, 19th Rabea the second, year 1278 (24th October, 1861).

The Officer of the Court, exalted by God,
(Signed) HADJ ABDERRAHMAN-EL-AJEE,
Whom God assist.

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Inclosure 5 in No. 12.

*Full-Power to Mr. Forde.*

(The Royal Signet of the Sultan of Morocco, Seedi Mohamed.)

(Translation.)

BE it known from this our letter (may God exalt its validity, and render it luminous as the sun and moon!) that we have empowered the merchant Lewis Forde to raise a loan of 2,000,000 dollars from the capitalists (subjects) of the English Government, and that he is also authorized to deliver the amount to whomsoever may be selected by our brother, the Honourable Mulai Abbas. May God protect him on account of the Spanish Government, but that he should not take upon himself (to pay the money) except at the time and to the person as he may be directed.

Peace.

10th Rabea the second, year 1278 (October 16, 1861).

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Inclosure 6 in No. 12.

*Full-Power to Hadj Abderrahman-el-Ajee.*

(The Royal Signet of the Sultan of Morocco, Seedi Mohamed.)

(Translation.)

IN the name of God, the merciful and clement! There is no strength or power but in God, the most high and mighty!

Be it known by this our letter, elevated and protected by God, and luminous as the sun and moon, that we have, by the help of God, granted to our employed, the Honourable Hadj Abderrahman-el-Ajee, full power and authority to conclude with the Minister, Mr. John Hay Drummond Hay, the Convention, and to treat with the merchant, Lewis Forde, regarding the arrangements relative to the loan of 2,000,000 dollars, to be advanced by the British capitalists, and that we shall in no way disapprove of any one of the arrangements (which he, the said Hadj Abderrahman-el-Ajee, may come to in the negotiation), for we have ceded to him all the authority (requisite) to act in the matter,



according to his own free judgment, and without having to refer again to us for instructions. He has our full powers, and whatsoever he may do will be well done.

Peace.

Done on the 14th day of the present month (of Rabea the Second) of this year (1278) (October 20, 1861).

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Inclosure 7 in No. 12.

*Hadj Abderrahman-el-Ajee to Mr. Forde.*

(Translation.)

(After compliments.)

KNOW that it having been stated to us by you that it is customary for a Government, on raising a loan, to grant a commission of 2 per cent. to the parties who may act as contractors or agents, we hereby declare that, when the loan is effected, our Lord the Sultan will be prepared to order the payment of that amount of commission, with the understanding that it includes all the usual expenses in such transactions.

Peace.

19th Rabea the Second, year 1278 (October 24, 1861).

The Officer of the Court, exalted by God,
(Signed) HADJ ABDERRAHMAN-EL-AJEE,
Whom God assist.

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Inclosure 8 in No. 12.

*Convention between Her Majesty and the Emperor of Morocco, to enable him to raise a Loan; signed at Tangier, October* 24, 1861.

HIS Majesty the Emperor of Morocco being desirous of raising a loan of four hundred and twenty-six thousand pounds sterling in London, to enable him to meet his engagements with Her Catholic Majesty, and having requested the good offices of Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, with a view to facilitate that object; and Her Britannic Majesty having agreed to the request of His Imperial Majesty, Their Majesties have resolved to conclude a Convention on the subject, and have named as their Plenipotentiaries (that is to say):—

Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, John Hay Drummond Hay, Esquire, Companion of the Most Honourable Order of the Bath, her Minister Resident at the Court of His Majesty the Sultan of Morocco;

And His Majesty the Sultan of Morocco, his Officer the learned Fakee Seed Hadj Abderrahman el Ajee:

Who, after having communicated to each other their respective full powers, have agreed upon and concluded the following Articles:—

ARTICLE I.

His Majesty the Emperor of Morocco engages, that from and after the ratification of the present Convention, there shall be paid over to a Commissioner named by Her Britannic Majesty, fifty per cent. of the Customs duties at all the ports of the Empire of Morocco.

Her Britannic Majesty on her part engages that, six weeks before the period at which the half-yearly charges on the loan of four hundred and twenty-six thousand pounds sterling, which the Emperor of Morocco is about to raise, shall become due, she will transfer to the agent or agents of the contractors for that loan the sums so to be received by the Commissioner of Her Majesty, or so much thereof as may be sufficient to pay the interest on the said loan, at the annual rate of per cent., together with a further annual rate of per cent. by way of sinking fund for the redemption of the loan.

But Her Britannic Majesty shall not be liable for the payment of more than she receives.

In case the sums received should be more than sufficient for such half-yearly payments, the surplus shall be repaid by the British Commissioners to the officers of the Emperor of Morocco duly authorized to receive the same.

ARTICLE II.

When by means of the payments provided for in the preceding Article, the whole of the loan of four hundred and twenty-six thousand pounds sterling shall have been repaid, together with the interest due thereon, the Commissioner of Her Britannic Majesty shall cease to receive the fifty per cent. of the Customs duties at the ports above mentioned, and shall repay to the said officers of the Emperor of Morocco any balance that may be remaining in his hands.

ARTICLE III.

The present Convention shall be ratified by Her Majesty the Queen of Great Britain and Ireland, and by His Majesty the Emperor of Morocco, and the ratifications shall be exchanged at Tangier as soon as possible within forty days from the date hereof.

In witness whereof the respective Plenipotentiaries have signed the present Convention, and have affixed thereto their respective seals.

Done at Tangier the twenty-fourth day of October, in the year one thousand eight hundred and sixty-one, corresponding to the Moorish date of the eighteenth day of the month of Rabbea the Second, in the year one thousand two hundred and seventy-eight.

(L.S.) J. H. DRUMMOND HAY.
(L.S.) (Signature of the Moorish Plenipotentiary.)

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No. 13.

*Mr. Drummond Hay to Earl Russell.—(Received November 4.)*

(No. 171.)

My Lord, *Tangier, October 24, 1861.*

SINCE I had the honour of addressing to your Lordship my despatch No. 170 of this date, Mr. Forde has decided upon returning to England viâ Madrid, in order that he may learn from Mulai Abbas, or from Her Majesty's Envoy, as requested by the Moorish Plenipotentiary, whether the Spanish Government adheres to their intention of evacuating Tetuan as soon as the 3,000,000 dollars are paid by the Sultan.

The overland route will only cause a delay of two or three days, and Mr. Forde will, at Madrid, be enabled to learn whether the loan should be negotiated at once; for if the Spanish Government withdraw from their intention, as announced to Her Majesty's Government previously to my mission to Mequinez, the Sultan would not, of course, desire to raise the loan, which would entail on his revenue a heavy annual charge.

Mr. Forde is the bearer of my despatch No. 170 to your Lordship, containing the Convention which has been signed, and I have sent all under flying seal to Her Majesty's Envoy at Madrid, for his Excellency's information.

I have, &c.
(Signed) J. H. DRUMMOND HAY.

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No. 14.

*Earl Russell to Mr. Drummond Hay.*

(No. 68.)

Sir, *Foreign Office, November 26, 1861.*

I HAVE received your despatch No. 170 of the 24th October, reporting your proceedings in regard to the Convention which you were authorized to sign with a Moorish Plenipotentiary with a view to facilitate the raising in this country of a loan to enable the Moorish Government to meet the pressing demands of Spain, and so to bring about the immediate evacuation of Tetuan, and inclosing the Convention which you had signed on that day.

I have to acquaint you that Her Majesty's Government entirely approve your conduct in regard to this matter.

You will have learned by the telegram which, at Mr. Forde's request, was sent to you on the 20th instant, the terms on which he was enabled to raise the money. Those terms appear to me to be very advantageous to the Moorish Government, and I doubt not will be thankfully accepted by them.

You will also have been apprised by my subsequent telegram of the same date of



the alteration which it was necessary to make in that part of the first Article of the Convention in which blanks, to be filled up in England, were left at the time of signing, in order to adapt the terms of the Article to the actual state of things.

I inclose copies of both telegrams.

As stated in the last of them, Her Majesty's ratification of the amended English version, alone, is sent to you this day; but it will be necessary that an amended copy of the Convention, bearing the same date as the original, should be signed in English and Arabic, and transmitted to this country simultaneously with the Emperor of Morocco's ratification, which should be, if possible, in both languages.

I have not thought it necessary to make in the body of the Convention the further alterations suggested by the Moorish Plenipotentiary, by inserting in the first Article the word "quarterly." If the Moorish Government still wish to stipulate that the money raised from the customs duties shall be paid "quarterly" to Her Majesty's Commissioner, an agreement to that effect may be made by an exchange of notes between yourself and the Moorish Plenipotentiary, simultaneously with the exchange of ratifications; but you must be careful to do nothing to weaken the assurance that a sufficient sum shall always be in the hands of the British Commissioner to enable him, at the stated times, to pay the charges due on this loan.

As regards the further point of the amount of commission to be paid to the parties who may act as contractors or agents for the loan, having found on inquiry that the sum of 2 per cent. is not in excess of what may properly be paid to them, I have delivered over to Mr. Forde the letter agreeing to pay that sum inclosed in your despatch.

You will inform me by telegraph when the ratifications of the Convention have been exchanged.

I shall instruct you hereafter as regards the disposal of the money which, according to the terms of the Convention, is to be placed by the Moorish Government, in the first instance, in the hands of a Commissioner named by Her Majesty.

I am, &c.
(Signed) RUSSELL.

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No. 15.

*Mr. Forde to Earl Russell.—(Received November 25.)*

My Lord, *London, November 25, 1861.*

THE contractors for the Moorish loan intend to bring it out to-morrow, and have desired me to submit a draft copy of their prospectus for your Lordship's approval before issuing it to the public.

These gentlemen believe they have undertaken a great responsibility, it being impossible for them to foresee how the public will view a loan to an untried borrower, and especially to a country only emerging from such dangers. The public will therefore lay all stress upon the security offered by the Convention, and without changing its spirit the contractors desire to use the words most likely to satisfy investors, without at the same time incurring your Lordship's disavowal of them.

The word "receive" is that used in the Convention, but the contractors would rather be allowed to say "collected:" both words are printed in the copy herewith, and they trust your Lordship will permit "collected" to remain as not contrary to the meaning of the Convention, where it is used in the prospectus.

The Messrs. Rothschild having declined this business, the contractors and myself are naturally very anxious to insure its success, as failure would bring renewed trouble and be annoying to all interested.

I have, &c.
(Signed) LEWIS FORDE.

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Inclosure in No. 15.

*Prospectus.*

IMPERIAL MOORISH LOAN FOR £426,000 STERLING.

To be issued in bonds amounting to 501,200*l.* at 85 per cent. Bearing interest at 5 per cent. per annum, from , payable half-yearly in London.

The Loan to be redeemed by a Sinking Fund of 5 per cent. per annum, and the bonds to be drawn half-yearly at the par of 100*l.*

Contractors for this Loan—Messrs. Wm. R. Robinson, John Fleming, George Fleming, and Philip Patton Blyth.

1. IN virtue of a Convention between His Majesty the Emperor of Morocco and Her Majesty the Queen of Great Britain, concluded at Tangier the 24th October, 1861, having for object to assist His Imperial Majesty in the fulfilment of his obligations to Her Catholic Majesty the Queen of Spain, and thereby to secure the prompt evacuation of Tetuan, it is proposed to raise a loan of 426,000*l.* sterling, in bonds amounting to 501,200*l.*, on the terms stated above.

2. By the stipulations of the said Convention, the Emperor of Morocco, on his part, binds himself to hypothecate as security for the due payment of the interest and sinking fund on this loan 50 per cent. of the Customs revenues of all the ports of the Moorish Empire; and Her Britannic Majesty, on her part, undertakes to appoint Special Commissioners, charged to receive the Customs duties so hypothecated.

3. These Customs duties will be received through the British Commissioners at the various ports, who will pay the same direct to the agents of the contractors of the loan by virtue of the Convention. When the loan has been extinguished, any funds which may remain in the hands of the Commissioners are to be transferred to His Majesty the Emperor of Morocco.

4. Her Britannic Majesty's Government will, each half-year, pay in Morocco, to the agents of the contractors of the loan, out of the said funds, a sufficient sum to meet the interest and sinking fund, six weeks before the same become payable in London.

5. Her Majesty's Government are not liable for the payment of a larger sum of money than that which they receive from the Customs duties so hypothecated, but which duties Her Majesty's Government engage to receive in the manner above mentioned. The remaining 50 per cent. of the Customs duties of the Moorish Empire are assigned to Spain, pending the fulfilment of a Treaty at present in force between the Queen of Spain and the Emperor of Morocco.

6. The average amount for the last five years of the Customs revenues collected at the principal ports of the Moorish Empire, viz., Tetuan, Tangier, Laraiche, Rabat, Casablanca, Mazagan, Saffi, and Mogador, were 322,904*l.* per annum, as shown by a certified Consular Return of Trade in the hands of the contractors.

7. It follows from the above, that as security for the interest and sinking fund of this loan, amounting, together, to about 38,000*l.* per annum, there is an annual sum assigned of more than 160,000*l.*

8. The resources of Morocco are very great. The Empire is free from foreign or home debt, and each of its provinces supports its own army.

9. The terms of issue are as follows:—

| | | |
|---|---|---|
| 10 | per cent. | to be paid on application. |
| 15 | „ | on allotment. |
| 20 | „ | at 2 months' date. |
| 20 | „ | at 3 months' date. |
| 20 | „ | at 4 months' date. |
| — | | |
| 85 | per cent. | |

Dividends will be paid half-yearly at the London and County Bank, and the loan will bear interest from the . Subscribers have the option of paying the instalments in anticipation, and will be allowed a discount of 3 per cent. per annum.

10. After allotment, scrip certificates will be issued to "bearer." These certificates will be exchanged for bonds to "bearer" in amounts of 100*l.*, 500*l.*, and 1,000*l.* each, after payment of the last instalment. The bonds will contain a copy of the Convention, as well as a recital of the powers under which the loan is raised.



11. Coupons will be attached to the bonds, payable half-yearly, at the London and County Bank.

12. The drawings by lot for redemption will take place every half-year, at the office of a public notary, in the presence of the contractors and an agent of the Moorish Government. The numbers of the bonds so drawn will be advertised in two of the leading London newspapers, and the amount of each bond will be paid at par two months from the date of drawing.

13. A certified copy of the Convention and the other official documents are deposited at the Bank of England.

14. Applications in the annexed form to be made to the contractors, at their counting-house, 21, Austin Friars, or to their broker, Mr. George E. Seymour, 38, Throgmorton Street.

The Subscription List will be closed on , at 2 o'clock.

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No. 16.

*Mr. Layard to Mr. Forde.*

Dear Sir, *Foreign Office, November* 26, 1861.

WE cannot authorize the use of any word in the prospectus which might lead to an inference not warranted by the Convention. "Receive, and not "collect," should, therefore, be the term employed. But, as I have already distinctly informed you, the Foreign Office cannot in any way take upon itself any responsibility with respect to the prospectus. The wording of that document and terms of the text must rest entirely with the contractors.

Yours faithfully,
(Signed) A. H. LAYARD.

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No. 17.

*Mr. Layard to Mr. Forde.*

Dear Sir, *Foreign Office, November* 27, 1861.

THE fifth paragraph of the prospectus of the Morocco loan, to be in conformity with the Convention, should run, "Her Majesty's Government are not liable for the payment of a larger sum of money than that which they receive from the Customs duties so hypothecated, but which duties Her Majesty's Government engage to receive in the manner above mentioned," &c. Lord Russell cannot approve of any other statement.

Yours faithfully,
(Signed) A. H. LAYARD.

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No. 18.

*Mr. Forde to Earl Russell.—(Received November* 28.)

My Lord, 28, *Cannon Street, London, November* 27, 1861.

HAVING secured the services of an eminent legal firm in the city to advise me in regard to negotiations with contractors for the Moorish loan, these gentlemen, Messrs. Marten, Thomas, and Hollams, write me as per inclosed letter respecting the difficulty that exists in the wording of the Convention to cover the creation of stock for 501,176*l.* 10*s.* instead of 426,000*l.*, and for the redemption of the former sum at par. These gentlemen also furnish me with form of letter to be addressed as I do to your Lordship; your Lordship's reply to which to the purport indicated would meet all objectors.

I beg to express the very sincere regret I feel in being obliged to trouble your Lordship so much in this matter, and I am myself very desirous of seeing it speedily to an end.

I have, &c.
(Signed) LEWIS FORDE.

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Inclosure in No. 18.

*Messrs. Marten, Thomas, and Hollams to Mr. Forde.*

Dear Sir, *Mincing Lane, London, November* 27, 1861.

AS it seems to us that the language of the Convention is open to the objection that it does not, if strictly construed, extend to the full nominal amount of the proposed loan, and as such a point might, if raised, seriously prejudice the operation, we would suggest that you should at once write to the Foreign Office, and, on behalf of the Moorish Government, undertake, if necessary, to extend the Convention by a Supplementary Convention, or otherwise, so that it may in express terms include the full amount of the nominal capital of the proposed loan.

The reply of the Foreign Office to such a letter stating that Her Majesty's Government will not object to the extension of the Convention so as to make it in terms strictly in accordance with the intentions of all parties will doubtless be satisfactory, and remove all difficulty.

We remain, &c.
(Signed) MARTEN, THOMAS, & HOLLAMS.

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No. 19.

*Mr. Forde to Earl Russell.—(Received November* 28.)

My Lord, *London, November* 27, 1861.

THE contractors for the proposed Moorish loan having raised a question whether the language of the Convention between the Moorish Government and the Government of Her Majesty extends to the bonus of 15 per cent. proposed to be given to the subscribers beyond the 426,000*l.*, I shall feel obliged if, on behalf of the British Government, you will kindly state in writing that there will be no objection to the extension of the Convention to cover the nominal value of the proposed loan, say 501,176*l.*; I, on behalf of the Government of the Emperor of Morocco, agreeing that so soon as practicable a supplemental Convention shall be entered into, by which the terms of the existing Convention shall be expressly extended to the whole sum of 501,176*l.* 10*s.* and interest thereon.

I have, &c.
(Signed) LEWIS FORDE.

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No. 20.

*Mr. Layard to Mr. Forde.*

Sir, *Foreign Office, November* 28, 1861.

I AM directed by Earl Russell to acknowledge the receipt of your letter of the 27th instant, stating that the contractors for the Moorish loan have raised a question whether the terms of the Convention between the Moorish Government and Her Majesty Government extend to the bonus of 15 per cent. proposed to be given to the subscribers beyond the 426,000*l.*, and requesting to know whether there will be any objection on the part of the British Government to the extension of the Convention to cover the nominal value of proposed loan, say 501,176*l.*, provided you should agree on behalf of the Moorish Government that as soon as possible a supplemental Convention shall be entered into, by which the terms of the existing Convention shall be expressly extended to the whole sum of 501,176*l.* 10*s.*, and interest thereon.

I am directed by Lord Russell to inform you in reply that Her Majesty's Government will not, under the circumstances stated, object to the extension of the present Convention, so as to make it in accordance with the intentions of the Contracting Parties as laid down in your letter.

I have, &c.
(Signed) A. H. LAYARD.

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No. 21.

*Earl Russell to Mr. Drummond Hay.*

(No. 69.)

Sir, *Foreign Office, December* 3, 1861.

I TRANSMIT, for your information, copies of a correspondence which has passed with Mr. Forde relative to the Moorish loan which is now being raised in this country.*

I am, &c.
(Signed) RUSSELL.

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No. 22.

*Mr. Drummond Hay to Earl Russell.—(Received December* 4.)

(No. 181.)

My Lord, *Tangier, November* 20, 1861.

I HAVE the honour to transmit, for your Lordship's information, the translation of a letter I have received from Mulai Abbas.

His Highness informs me that he had directed Mr. Forde not to negotiate the loan until he gave him orders to that effect, and the reason given by his Highness for this procrastination is, that the Spanish Government had objected to evacuate Tetuan until the demarkation of the new frontier at Melilla has been effected. On the other hand, the Sultan and his Plenipotentiary, Hadj Abderrahman Ajee, have repeatedly expressed to me their desire that no time should be lost in effecting the loan.

Ajee called upon me this morning, and expressed his surprise that Mulai Abbas should have given such an instruction to Mr. Forde, though he supposed his Highness had done so, apprehending that if the loan was concluded, the Spanish Government would require immediate payment of the 3,000,000 dollars even before the evacuation of Tetuan took place. Hadj Abderrahman Ajee has addressed a letter to Mr. Forde, of which he has requested me to send a translation to Her Majesty's Government, and which I herewith inclose. He repeats to Mr. Forde the instructions given to him by Mulai Abbas; but Ajee tells me, as Mulai Abbas is expected to arrive here very shortly, he hopes to be enabled, after consultation with his Highness, to order Mr. Forde to conclude the loan without further delay.

It is much to be regretted that the Spanish Government has insisted that the Melilla frontier should be marked before Tetuan is evacuated, for the Reef people will be more inclined to resist any cession of territory to the Spaniards when they learn that the Sultan has not yet succeeded in obtaining the evacuation of Tetuan.

The reply which was given some months ago by the Reef Chiefs to the Sultan, when he exhorted them to cede the new frontier, was that they were willing to show all respect and deference to His Majesty's orders, except when required to make concessions to their enemies, the Spaniards; that they had never asked the Sultan to assist them with troops when attacked by the Spaniards; that they had, hitherto, always succeeded in repelling any attempt to encroach on their territory; and that the Spanish Government was welcome to the territory which it could wrest from them by force, and continue to hold, as that would be God's will, and not a voluntary act of concession.

The only hope I now have of the Sultan succeeding in persuading the Reefians to concede the new frontier is by purchasing the land from the tribes dwelling in the neighbourhood of Melilla, and sending Mulai Abbas, or some of the Shereifs or M'rabets of this country to use their good offices in persuading the Reefians to accept the offers of the Sultan. I believe the Moorish Government will follow the advice I have offered. I should have very little confidence in any attempt of this Government to coerce the Reefians by sending an army to that mountainous country, especially at this season. If the Reefians resisted the Sultan's arms, and defeated his troops, as they probably would, a general revolution might break out against the Sultan's authority.

The Spanish Government must be well aware of the difficulties that beset the Sultan. They know his temporal authority in Reef is almost null, though he is acknowledged as the Chief of the religion.

During the war between Spain and Morocco several attempts were made by the Spanish forces at Melilla to gain possession of the new frontier, and the garrison was considerably reinforced to effect that object; but the Reefians always succeeded in driving back the Spanish troops within their walls, and on one occasion with considerable loss.

* Nos. 15, 16, 17, 18, 19, and 20.

The Reefians are the most warlike people of Morocco. During the late war there were only 700 or 800 Reefians under the command of Mulai Abbas; but these men bore the brunt of the battle of Wad Agraz, and upwards of 400 perished during the conflict.

I have, &c.
(Signed) J. H. DRUMMOND HAY.

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Inclosure 1 in No. 22.

*Mulai Abbas to Mr. Drummond Hay.*

(Translation.)

Praise to the one God!

To our friend the excellent Minister of the British Government.

(After compliments.)

WE received your letter informing us that you received tidings of the conclusion of our negotiation with the Spanish Government, and expressing your satisfaction. May God requite you! We know your friendship and the good counsels you have given us. We have directed Forde not to come to a final settlement (about the loan) until he receives our orders, for the Spaniards have demanded that the evacuation of Tetuan shall not take place until the Melilla frontier is marked, as well as the money paid. We, in order to facilitate the negotiation, acceded to this, finding that they would not withdraw from this demand. The Ambassador of your Government here will tell you all. He has been very kind in giving us good counsels in all our affairs with the General O'Donnell. We have told him what we have settled with the Spanish Government, and he has approved of it.

We had intended to take our departure on the 10th of this month, but the copies of the Treaties had not been completed, so we put it off until all our affairs are completed, with God's aid. This is what has happened. We continue in our friendship towards you. Peace.

11th Joomad, year 1278 (7th November, 1861).

The Viceroy of our Lord the Sultan,
(Signed) ABBAS, *Son of the Prince of Believers.*

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Inclosure 2 in No. 22.

*Hadj Abderrahman-el Ajee to Mr. Forde.*

(Translation.)

IN the name of the most merciful God to our friend, Mr. Lewis Forde. We inquire after your health and welfare.

Know that we have received a letter from our Lord the Viceroy, Mulai Abbas, informing us of the settlement of affairs with the Spaniards, and we expect his Highness to arrive very shortly at Tangier. His Highness informs us he directed you to suspend the conclusion of the negotiation for the loan until he sends you final orders, and we request you, therefore, to await a communication from his Highness to that effect. When Mulai Abbas arrives here we shall confer with him on this subject.

Do not suppose from this delay that there is apathy or negligence in this matter, for our Lord the Sultan earnestly desires that the loan should be negotiated, for he greatly needs and desires that it should be effected without unnecessary delay; but you will understand, after what has passed, that it is proper we should first confer with Mulai Abbas, and we will soon let you know the result. Do you continue to make every necessary arrangement regarding the loan, so that as soon as the order reaches you all may be ready. You are a sensible man, and will understand our wishes. Do not fail to write to us.

Finished 17 Joomad, year 1278 (20th November, 1861).

(Signed) HADJ ABDERRAHMAN-EL-AJEE.

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No. 23.

*Earl Russell to Mr. Drummond Hay.*

(No. 73.) *Foreign Office, December* 11, 1861.

Sir,

YOU will have seen by the correspondence with Mr. Forde, of which copies were inclosed in my despatch No. 69 of the 3rd instant, that it was considered to be necessary that a Supplementary Convention should be concluded between Her Majesty and the Emperor of Morocco, by which the provisions of the Convention of the 24th of October should be extended to cover the amount of stock which it should be necessary to raise to produce the net sum of 426,000*l.*, and to provide for any charges for bonus, discount, or such like expenses.

I have, since the date of that despatch, been in communication with Mr. Forde, who, you will have seen in the correspondence, undertook to explain to the Moorish Government the necessity for a Supplementary Convention, and I understand from him that he is about to send to Tangier his partner, Mr. William Henry Smith, to act on his behalf with the Moorish Government.

In anticipation of Mr. Smith's obtaining the concurrence of the Moorish Government in regard to the Supplementary Convention, I furnish you at once with the draft of such Convention, a copy of which has already been given to Mr. Forde, and you are authorized, on learning from Mr. Smith that he has prepared the Moorish Government for its reception, formally to announce your readiness to conclude and sign a Convention in the terms of the inclosed draft.

I am, &c.
(Signed) RUSSELL.

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Inclosure in No. 23.

*Draft of Convention.*

HER Majesty the Queen of the United Kingdom of Great Britain and Ireland having concluded a Convention with His Majesty the Emperor of Morocco, at Tangier, on the 24th day of October, 1861, corresponding to the Moorish date of the 18th of the month of Rabbea the Second, in the year 1278, for the purpose of facilitating the raising in London, by His Majesty the Emperor of Morocco, of a loan of 426,000*l.* sterling, in order to enable him to meet his engagements with Her Catholic Majesty; and whereas it is proposed that the said sum of 426,000*l.* sterling shall be raised at the rate of 85*l.* cash for each 100*l.* stock, whereby the nominal amount of the loan will become 501,176*l.* 10*s.*; and doubts having been entertained whether the arrangements of the said Convention for the repayment of the loan extend to an amount of stock greater than the sum of 426,000*l.* intended to be raised in cash; Her Britannic Majesty and His Majesty the Emperor of Morocco have resolved to conclude a further Convention on the subject, and have named as their Plenipotentiaries, that is to say:

Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, John Hay Drummond Hay, Esquire, Companion of the Most Honourable Order of the Bath, Her Minister Resident at the Court of His Majesty the Emperor of Morocco;

And His Majesty the Emperor of Morocco, his officer the learned Fakee Seed Hadj Abderrahman el Ajee;

Who, after having communicated to each other their respective full powers, have agreed upon and concluded the following Articles:—

ARTICLE I.

His Majesty the Emperor of Morocco engages that the arrangements of the said Convention so entered into as aforesaid shall apply, not only to the sum of 426,000*l.* sterling intended to be raised in cash, or to so much thereof as shall be so raised, but shall extend to the sum of 501,176*l.* 10*s.*, being the amount of the stock proposed to be created to raise the said loan, or to such other amount of stock greater than the sum of 501,176*l.* 10*s.*, which it may be necessary to create in order to cover and include any discount, bonus, or other consideration which the Commissioner of His said Majesty may, with the concurrence and sanction of His said Majesty, allow to the subscribers to the said loan.

ARTICLE II.

The Commissioner of Her Britannic Majesty mentioned in the Convention aforesaid shall, by virtue of the said Convention, continue to receive the 50 per cent. of the Customs duties at all the ports of the Empire of Morocco, until not only the said sum of 426,000*l.* and interest thereon, but until also the amount of stock representing that sum, and any discount, bonus, or other consideration to be allowed to the subscribers to the said loan, as provided in the preceding Article, shall have been fully paid.

ARTICLE III.

In case only a part of the 426,000*l.* cash should be raised, then the stipulations of Article I and II shall apply only to the corresponding amount of stock.

ARTICLE IV.

The present Convention shall be ratified, &c.

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No. 24.

*Mr. Drummond Hay to Earl Russell.—(Received December 12.)*

(No. 192. Confidential.)

My Lord, *Tangier, December 4, 18 1.*

I HAD awaited the receipt of your Lordship's despatch No. 68 of the 26th ultimo, together with the copies of the telegrams of the 20th, before I made out the amended copies of the Convention, as the decypher of those telegrams had not been very clear.

This morning, the Moorish Plenipotentiary and I signed the amended copies, bearing the date of the 24th October. I will transmit an amended copy to England when I receive the Sultan's ratification, which I expect in a few days.

The Sultan's ratification will, I believe, be dated within the forty days, and though the exchange has not been effected within that period, I trust the validity of the document will not be affected.

With regard to the loan, I made Mulai Abbas acquainted with the terms of the contractors, as reported by Mr. Forde, and I informed his Highness that your Lordship considered the terms very advantageous.

His Highness replied that he did not well comprehend the monetary system by which loans are effected in Europe, but that your Lordship's opinion sufficed for their satisfaction, though he did understand that the aggregate annual amount to be paid was less than the Moorish Government had been led to suppose would be required.

His Highness said that, though he approved of the terms of the loan, he should not direct Hadj Abderrahman-el-Ajee to write to Mr. Forde to ask for the payment of the money, as he feared that the Spanish Government might require that the 2,000,000 dollars be made over to them at once; and as it is stipulated that the Melilla frontier is to be marked before Tetuan is evacuated, he desired, if possible, to effect that object before the money was placed in the possession of the Moorish Government, but that as soon as the Melilla frontier was settled, he would then be prepared to give orders to Mr. Forde to receive and make over the money to the Spanish Government simultaneously with the evacuation of Tetuan.

I observed to his Highness that though I trusted the question of the Melilla frontier would be speedily settled, and that there would be no objection to his carrying out the proposed method of receiving the 2,000,000 dollars, and paying them over to the Spanish Government, yet that I feared the contractors for the loan might object to be left in suspense, and might think themselves justified, by this further procrastination and apparent hesitation on the part of the Moorish Government, to withdraw from the arrangement entered into by them with Mr. Forde.

His Highness admitted that he had not taken this into consideration when he had decided on awaiting his return from Melilla before giving any final order to Mr. Forde, and he therefore directed Seed Abderrahman-el-Ajee to address me a letter, putting forward his reasons for having delayed giving his final instructions about the loan, but, at the same time, to request that your Lordship would be pleased to send me a telegram on the receipt of this despatch, if your Lordship considered that orders ought to be sent at once to close the negotiation with the contractors, and to receive the money; and in that case, telegraphic orders would be sent by his Highness to Mr. Forde, directing him to close the loan without further question.



I have the honour to inclose herewith a translation of the letter addressed to me by Hadj Abderrahman el Ajee.

Hadj Abderrahman says he did not think it prudent to write to Mr. Forde to explain the reasons why the Moorish Government have not given their final orders, but he has requested me to tell him, in the name of Mulai Abbas, that the arrangement he has made is approved of, and that very shortly instructions will be sent him, and that in case any objections are made by the contractors to the delay, he (Mr. Forde) is to mention it to your Lordship.

Whilst I write this despatch the Moorish batteries and the Spanish frigate are saluting Mulai Abbas on his embarkation. Ajee and the Moorish Minister, Bargosh, accompany his Highness, as also the Spanish Brigadier General Herrera.

If the weather permits a landing at Rabat, to-morrow, the Prince hopes to return here before the 11th instant.

I shall be careful to follow the instructions which have been conveyed to me by your Lordship regarding the forms to be observed in the exchange of the ratifications.

I have, &c.

(Signed) J. H. DRUMMOND HAY.

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Inclosure in No. 24.

*Hadj Abderrahman-el-Ajee to Mr. Drummond Hay.*

(Translation.)

To our friend J. H. Drummond Hay, Esq., &c.

(After compliments.)

YOU were made acquainted with what we wrote to Mr. Lewis Forde, informing him that we awaited the arrival of the Viceroy, our Lord Mulai Abbas, from Spain, to send instructions to him regarding the loan.

His Highness has arrived, and thank God all matters are, as you are aware, satisfactorily arranged with the Spanish Government; but the Spaniards declare they will not evacuate Tetuan until the frontiers of Melilla are settled, and therefore his Highness Mulai Abbas still desires that Mr. Forde should not take into his possession the money until the Melilla frontier is marked, fearing that if the Spanish Government hears the money is in hand, they will demand the immediate payment, and if we object it may displease them, or they may say they no longer trust in the honesty of our purpose. It is on this account we write to you (and not to Forde) this secret letter, for you must be aware that we should not feel quite confident if the Spaniards were paid the money before they evacuated Tetuan; they might discover some pretext for raising difficulties. It is on this account alone we defer the taking possession of the money until the Melilla frontier is marked.

To-morrow we go with Mulai Abbas by sea to the Court at Rabat, to obtain the Sultan's ratification to the Treaties with Spain. We shall return in seven or eight days, and then Mulai Abbas will go by sea to Melilla, to be present himself at the demarkation of the frontier. I hope this also will be settled in another ten days. In that case I will telegraph to Forde to take possession of the loan, and to hold the money in readiness to deliver it to the Spanish Government as soon as Mulai Abbas gives the order, which will be simultaneously with the evacuation of Tetuan.

We have, however, to add that as you have informed us that you could give us no assurance that the contractors for the loan will admit of any further delay about the acceptance of the loan, lest they should say this delay and doubt was injurious to their interests, and moreover that the present terms might not again be offered in the money market, especially as the French Government is said to be about to raise 200,000,000 dollars, we have, after consideration, decided on requesting you to beg your Government to let you know by telegraph, if the delay I have mentioned by going to Rabat and Melilla might be prejudicial to the interests of the Sultan, or that the contractors should threaten in consequence to withdraw from their engagements; then we will, on hearing from you, give immediate orders by telegraph to Forde, to take the money, and close at once all affairs thereupon, even before the Melilla frontier is marked.

Finished in the beginning of Joomad the Second (3rd December, 1861).

(Signed) HADJ ABDERRAHMAN-EL-AJEE.

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No. 25.

*Mr. Drummond Hay to Earl Russell.—(Received December 26.)*

(No. 207.)

My Lord, *Tangier, December* 20, 1861.

THOUGH I had despatched two successive couriers overland to the Moorish Court on the receipt of your Lordship's telegram of the 12th instant, and Sir John Crampton's of the 14th, I considered the telegram of the 15th to be of such an urgent character that I applied to the senior naval officer of Gibraltar for a vessel to convey Mr. Green to Rabat with my despatches to the Moorish Government.

On the evening of the 18th Her Majesty's steamer "Alacrity," Commander Baird, departed for Rabat with Mr. Green and arrived there the following day. Mr. Green had an interview with Mulai Abbas, who acceded at once to the counsels I had offered in the name of the British Government, and Hadj Abderrahman Ajee was desired to return to Tangier in the "Alacrity" with the ratification, and to repeat to me, in the name of the Sultan, His Majesty's grateful acknowledgments for the warm interest taken in their welfare, and to express His Majesty's regret if the delay which had taken place in concluding the loan had produced an unfavourable impression on the mind of Her Majesty's Government.

Your Lordship will have received my telegram announcing the exchange of the ratification, and that orders by telegraph had been sent to Mr. Forde to conclude the loan. It remains for me, therefore, only to mention to your Lordship the zealous and able manner in which Mr. Green carried into execution the instructions I had given him.

I have, &c.

(Signed) J. H. DRUMMOND HAY.

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No. 26.

*Mr. Drummond Hay to Earl Russell.—(Received January* 2, 1862.)

(No 211.)

My Lord, *Tangier, December* 22, 1861.

I HAVE the honour to acknowledge the receipt of your Lordship's despatch No. 73 of the 11th instant respecting a Supplementary Convention to be concluded between Her Majesty and the Emperor of Morocco, extending the provisions of the Convention of the 24th October, so as to cover the amount of stock which should be raised to produce the sum of 426,000*l.*, and to provide for any charges for bonus, discount, or such like expenses.

I have delayed taking any steps in this matter until Mr. William Henry Smith arrives from England.

I have, &c.

(Signed) J. H. DRUMMOND HAY.

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No. 27.

*Mr. Drummond Hay to Earl Russell.—(Received January* 12, 1862.)

(No. 212.)

My Lord, *Tangier, December* 22, 1861.

I HAVE the honour to transmit herewith the Sultan's ratification of the Convention concluded between Great Britain and Morocco on the 24th October last, and also the amended original of that Convention.

I further inclose the document you directed me to transmit to your Lordship, certifying the exchange of ratifications.

I have, &c.

(Signed) J. H. DRUMMOND HAY.

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No. 28.

*Mr. Drummond Hay to Earl Russell.—(Received January* 11, 1862.)

(No. 216.)

My Lord, *Tangier, December* 30, 1861.

MR. W. H. SMITH arrived yesterday, and had an interview with Hadj Abderrahman el Ajee, at which I was present.

Mr. Smith read to Hadj Abderrahman a telegram from Mr. Forde, directing him to inform this Government that the Bank of England would make heavy charges if the money was deposited there, and Mr. Forde therefore recommended that the loan, when raised, should be deposited in the London and County Bank, until it was paid over to the Spanish Government; and he especially recommended this arrangement, as the directors of the latter bank had even agreed to facilitate the payment of the money in advance, if required.

Hadj Abderrahman sent this morning a telegram to Mr. Forde, worded as follows: "Conclude loan on terms of prospectus, and deposit the money in the London and County Bank."

Mr. Smith made known to El Ajee that, owing to Mulai Abbas having directed Mr. Forde to defer the conclusion of the loan, and the subsequent tidings of the probability of a rupture between Great Britain and the United States, the loan had been prevented from being effected; and that he feared if war was declared the loan would not be negotiated at the same favourable conditions as had been arranged before Mulai Abbas sent the order to stop proceedings: and Mr. Smith requested, therefore, to be informed whether El Ajee was disposed to give orders to Mr. Forde to negotiate the loan on the most favourable manner he could, under existing circumstances.

El Ajee replied, that the Sultan had been acquainted with the terms agreed upon between Mr. Forde and the contractors, and that he could not venture to give directions to Mr. Forde to enter upon any other arrangements without orders from the Sultan.

I have, &c.

(Signed) J. H. DRUMMOND HAY.

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No. 29.

*Mr. Drummond Hay to Earl Russell.—(Received January* 11, 1862.)

(No. 218.)

My Lord, *Tangier, December* 31, 1861.

MULAI ABBAS did not return here until yesterday morning. The Spanish frigate which had been placed at his disposal had been compelled, by the bad weather and the loss of its anchors, to return to Spain, and was prevented, therefore, from proceeding to Dar-al-Baida, to embark the Prince, until the 29th instant.

His Highness informs me he brings the Sultan's ratifications of the Spanish Treaty and Commercial Convention.

The Governor of Reef, who had awaited his Highness' arrival, will proceed immediately in one of the Spanish Government steamers to Melilla, to assist in the demarkation of the frontier. The other Commissioners, who had been directed to proceed overland, as reported in my despatch No. 209 of the 21st instant, have probably already arrived at Melilla.

I repeated to his Highness the conversation which had passed between Mr. Smith and Hadj Abderrahman-el-Ajee regarding the loan;* and I made him understand that if terms less favourable were finally offered than those which had been at first arranged by Mr. Forde, it was only to be attributed to his Highness having given orders last month that Mr. Forde should not conclude the loan. His Highness expressed his regret at not having followed the advice I had then given him; but he said that he still hoped Mr. Forde would be enabled to arrange with the contractors on the same terms as those contained in the original prospectus, after the present panic in the money-market, occasioned by the rumours of war between Great Britain and the United States, had passed. Under these circumstances, his Highness said, he thought it advisable not to give any further orders to Mr. Forde than those he already possessed, especially as there would be no immediate demand for the money, as he did not expect to hear that the Melilla frontier had been arranged before another ten days or a fortnight.

Mulai Abbas expressed to me, confidentially, his extreme dissatisfaction at the return of Mr. Merry and Mr. Rizzo, and that he felt the more hurt as he had made known both

* See No. 28.

to Her Catholic Majesty and to the Spanish Minister his hopes they would not return. His Highness said he was persuaded constant disputes would be taking place between the Moorish Government and the Spanish Legation as long as Mr. Merry remained, for he had proofs that he had misinformed the Spanish Government regarding his (Mulai Abbas') language, and had thereby caused much ill-feeling at Madrid. Moreover, that Mr. Merry and Mr. Rizzo had acted on several occasions in a manner personally offensive to himself. His Highness became very excited, and declared he was disposed to refuse to see Mr. Merry, as he would never again submit to be treated as he had been by Mr. Merry and Mr. Rizzo; for he felt, if they again offended him, he could not refrain from marking his displeasure in a very decided manner, whatever might be the consequences.

His Highness then asked me what object I supposed the Spanish Government had, after having expressed such a desire to terminate all questions in a friendly manner, in sending back two persons so offensive to himself and to the Moorish Government.

In my reply, I endeavoured to calm the excited feelings of his Highness, and implored him not to commit himself by acting in a manner which would place his Highness in the wrong, and compel, perhaps, the Spanish Government to uphold their agents, even by resorting to fresh hostilities. I told his Highness that the Spanish Government had, no doubt, instructed Mr. Merry to act in a friendly manner, and I could not therefore believe Mr. Merry would do or say anything personally offensive to him; and that, as I had grounds for knowing, Mr. Rizzo was not always courteous in his manner to the Moorish officials, I attributed any past offence in deeds or words rather to Mr. Rizzo than to Mr. Merry.

I pointed out to his Highness how imprudent it would be after all his labours, and after having every hope of the prompt evacuation of Tetuan, to do anything which might give grounds to the Spanish Government to withdraw from its engagements.

His Highness said he would consent to receive Mr. Merry to exchange the ratifications, but he should let him understand he desired to avoid, henceforth, communications with him, and should refer him to the Minister, Seed Mohamed Bargosh.

I have, &c.
(Signed) J. H. DRUMMOND HAY.

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No. 30.

*Mr. Drummond Hay to Earl Russell.—(Received January 12.)*

(No. 2.)
My Lord, *Tangier, January* 3, 1862.

MR. SMITH has communicated to the Moorish Plenipotentiary the Supplementary Convention, and I have also made known to Mulai Abbas why the provisions contained in this Convention are thought to be requisite.

His Highness, as also Hadj Abderrahman el Ajee, have replied that whenever tidings are received that the loan has been concluded on the terms of the prospectus which had been communicated to the Sultan, they will be willing to accept the Supplementary Convention; but, under the present circumstances, as some alteration might be required in the wording of the Convention, if the loan is not effected on the original terms, they think it advisable to await further communication from Mr. Forde regarding the progress of the loan.

Hadj Abderrahman-el-Ajee has requested Mr. Smith to inform him what sum, more or less, may annually be required to cover the discount, bonus, or other considerations mentioned in the Supplementary Convention, as it is important that the Sultan should know for certain that these expenses will comparatively entail but a small addition to those which he has already agreed to pay.

Mr. Smith has returned to Gibraltar to-day, but will come over here as soon as he hears from Mr. Forde that the loan is being negotiated.

I have, &c.
(Signed) J. H. DRUMMOND HAY.

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No. 31.

*Mr. Drummond Hay to Earl Russell.—(Received January 22.)*

(No. 7.)
My Lord, *Tangier, January* 14, 1862.

HADJ ABDERRAHMAN-EL-AJEE informed me to-day that he has received tidings from the Court that the Sultan had collected another 1,000,000 dollars, and as



he thought it was very desirable His Majesty should not incur a larger debt than was requisite to pay the Spanish Government, he had decided on sending a telegram and writing to Mr. Forde to take up 200,000*l.* of the loan on account of the Sultan, for he feared it might derange the engagements entered into by Mr. Forde, if he now instructed him to contract only for 1,000,000 dollars instead of 2,000,000.

I warned Ajee that the Moorish Government would be assuming a very heavy responsibility if, when the time of payment of the 3,000,000 dollars arrived, the money was not forthcoming. Ajee replied that since the Sultan's arrival at Rabat His Majesty had received large arrears of taxes from his subjects, exceeding, as he believed, 1,000,000 dollars.

I have the honour to inclose a copy of the telegram, as also a translation of the letter addressed by Ajee to Forde, which were communicated to me by the former.

I have, &c.
(Signed) J. H. DRUMMOND HAY.

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Inclosure 1 in No. 31.

*Hadj Abderrahman-el-Ajee to Mr. Forde.*

(Telegraphic.) *Tangier, January* 14, 1862.

IF the entire amount of the loan has not already been subscribed for, the Sultan desires you to subscribe on his account 200,000*l.*, as he does not require more than 1,000,000 dollars from England.

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Inclosure 2 in No. 31.

*Hadj Abderrahman-el-Ajee to Mr. Forde.*

(Translation.)
To our friend the merchant, Mr. Lewis Forde.
(After compliments.)

WE have just received information from the Court of the Sultan that His Majesty has lately collected a considerable amount of money, and consequently we do not require the whole amount of the loan; therefore we order you to subscribe in the name of the Sultan for 200,000*l.* of the loan, as we have already instructed you to-day by telegraph.

We have informed ourselves of the arrangements you have made with the contractors for the loan, under date of the 27th November, to the effect that whenever the Sultan wishes to purchase any bonds of the loan, he must do so through the contractors of the loan. It appears to us that the Sultan of Morocco ought to be at liberty to purchase the said bonds through whomsoever he pleases to employ. Endeavour, therefore, to come to such an arrangement, for the Sultan has a right that the matter should remain at his option.

We are acquainted with all you have done, and for which we are grateful.

Finished, 13 Rejeb, 1278 (14th January, 1862).

(Signed) HADJ ABDERRAHMAN-EL-AJEE.

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No. 32.

*Earl Russell to Mr. Drummond Hay.*

(No. 4.)
Sir, *Foreign Office, January* 23, 1862.

I HAVE received your despatch No. 7 of the 14th instant, stating that the Sultan of Morocco having lately collected a considerable amount of money, did not require the whole amount of the loan which Mr. Forde was empowered to raise in England, and that the Moorish Government had therefore instructed Mr. Forde to subscribe in the name of the Sultan for 200,000*l.* of that loan.

I have to inform you, in reply, that the original loan of 500,000*l.* has all been contracted for, and that consequently the diminution of its amount cannot now be effected.

I am, &c.
(Signed) RUSSELL.

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No. 33.

*Mr. Drummond Hay to Earl Russell.—(Received January 25.)*

(No. 8.)

My Lord, *Tangier, January* 16, 1862.

WITH reference to my despatch No. 7 of the 14th instant, I have the honour to inform your Lordship that on the receipt, yesterday evening, of your Lordship's telegram of the 14th instant, announcing the conclusion of the loan, I communicated it to Hadj Abderrahman el Ajee. He repeated the grateful acknowledgments of the Moorish Government for the kind assistance afforded the Sultan in this matter by your Lordship. He said that the instructions he had sent to Mr. Forde to subscribe for 200,000*l.* of the loan, or to limit it to 226,000*l.*, had, of course, arrived too late, and, therefore, could not affect the arrangements and engagements which had been entered upon.

Hadj Abderrahman el Ajee had some conversation, in my presence, with Mr. Smith upon this subject, and told him that the Sultan would desire to purchase bonds at the price which had been paid, or at a lower rate, whenever they appeared in the market.

With regard to the Supplementary Convention, Hadj Abderrahman requested me to prepare the document for signature, and I hope, therefore, by to-morrow or next day it will be concluded; and I will then inform your Lordship by telegraph as directed.

I have, &c.

(Signed) J. H. DRUMMOND HAY.

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No. 34.

*Earl Russell to Mr. Drummond Hay.*

(No. 5.)

My Lord, *Foreign Office, January* 25, 1862.

I HAVE to acquaint you that Her Majesty's Government approve the course which you pursued in regard to the Moorish loan, as reported in your despatch No. 8 of the 16th instant.

I am, &c.

(Signed) RUSSELL.

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